

STATE OF VERMONT

HUMAN SERVICES BOARD

In re) Fair Hearing No. 12,874

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Appeal of)

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INTRODUCTION

The petitioner appeals a decision of the Department of Social Welfare that he is ineligible for Medicaid because of excess income.

FINDINGS OF FACT

1. The petitioner is a seventy-year-old man who lives with his wife on an income of \$846.71 per month. Neither of them can read or write and their affairs are handled by their daughter. Home health care nurses come in weekly to assist the petitioner.
2. On April 15, 1994, the petitioner, who was a Medicaid recipient, was notified that his Medicaid would cease on April 30 due to excess income. He was also advised that once he has medical bills totaling \$612.00 during the next six month period, he would become eligible for Medicaid again.
3. The petitioner receives such a notice every six months but typically becomes eligible for Medicaid very quickly because he has high medical costs. They average about \$200.00 per month, and in the past the Department has always assisted the petitioner in gathering those bills.
4. The petitioner's eligibility was calculated by disregarding \$20.00 from his \$846.71 income based on his age and comparing that figure, \$826.71 to the maximum allowable ("the protected income level") figure for two persons, or \$683.00. As the petitioner's income exceeded that amount by \$143.71, he was found ineligible for benefits. The \$143.71 per month excess multiplied by the six upcoming months is the amount of expense he would have to incur before becoming Medicaid eligible again. However, the petitioner's monthly Medicare premium of \$41.10 was deducted off of the top of that figure, leaving a \$102.61 per month excess and a six month spenddown figure of \$612.00 (\$102.00 x 6).
5. The petitioner has had difficulty coming up with money to pay for his prescriptions when he is not on Medicaid. He has applied for General Assistance to help him through his periods of ineligibility and has received help through that program. However, his daughter does not like applying for that program

because it requires her to obtain documentation from her parents of how money was spent for the month. She considers this a great inconvenience both for her and for her parents. She prefers that her father be assisted through the Medicaid program at all times.

ORDER

The decision of the Department is affirmed.

REASONS

Social Security benefits are a completely countable form of unearned income under the Medicaid regulations. M241.2(3). The only disregard for which the petitioner appears to be eligible is the elderly deduction of \$20.00. The petitioner's countable income was, thus, correctly figured at \$826.71 per month. The protected income level for two person families residing outside of Chittenden County is \$683.00 per month. P-2420(B)(1). The petitioner's ineligibility for Medicaid is supported by the regulations.

The regulations also allow for eligibility for persons who have excess income in the following circumstances:

A person who passes all eligibility tests, except that his or her Medicaid group's monthly income is more than any of the income tests for which he/she may be eligible (see P-2420 B) may qualify for Medicaid coverage. To do so, he or she must show that his or her Medicaid group has paid or incurred medical expenses (see Medical Expense Deductions in the M430 Section) at least equal to the difference between its countable income and its Protected Income Level. This difference is called the "spend-down" requirement. Note that a person who does not pass any of the other applicable income tests must spend down to the Protected Income level and is not permitted to spend down to any of the higher income tests.

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The petitioner has been advised that he will be eligible once he spends down \$612.00 for the six month eligibility period. That is an amount equal to the difference between his countable income and the Protected Income Level. As such, the petitioner has been correctly apprised as to the conditions for regaining eligibility.

The petitioner's daughter appears to be aware that the petitioner can apply for further assistance, if needed, through the General Assistance program. It does require her parents to keep track of their monthly expenses so they can show that they had no money available to pay for prescriptions. She is encouraged to notify her parents in advance of the importance of record keeping in this matter.

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